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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS: FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Entitlements of staff assigned to peace-keeping missions, including mission subsistence allowance

Report of the Secretary-General

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I. INTRODUCTION

1. The General Assembly, by part VIII of its resolution 49/233 of 23 December 1994, endorsed the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) regarding mission subsistence allowance (MSA) and related matters, as contained in paragraphs 80 to 85 of the report of the Advisory Committee. 1/ The Assembly requested the Secretary-General to review the entitlements of staff assigned to peace-keeping missions, including the purpose of and basis for the establishment of MSA, and to present a report to the Assembly at its fiftieth session.

2. At the outset, it is recalled that ACABQ has expressed views on a number of occasions on various aspects of the use of MSA in individual peace-keeping missions, including the relationship between daily subsistence allowance (DSA) and MSA. 2/ In 1993, in its report on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations, 3/ ACABQ indicated that there were anomalies in the determination and application of MSA rates and requested a review of the methodology for their determination and application.

3. In his report to the General Assembly at its forty-eighth session on effective planning, budgeting and administration of peace-keeping operations, 4/ the Secretary-General responded to the above requests in addressing the basis for the determination of MSA rates and for their application, in particular in comparison with DSA rates. Further oral and written submissions were provided to ACABQ when it considered the report of the Secretary-General. (For example, a note on the procedures for the establishment and periodic review of MSA rates was subsequently appended to the report of ACABQ. 5/)

4. ACABQ addressed a number of specific requests and recommendations to the Secretary-General in its report, 6/ as follows:

(a) A review of the entitlements of staff assigned to missions, with a view to ensuring that the allowances paid are commensurate with the exposure of the staff member to expenses as the result of mission service (taking into account the staff member's family status) and to ensuring that the policy in this regard is transparent and supports the goals and objectives of the Organization;

(b) The review should also include a re-examination of MSA, its purpose and the basis on which it is established;

(c) A review of the methodology for the determination of MSA rates and their application; and

(d) An examination, in comparison with the norms and procedures used to establish DSA rates, of the manner of establishment of MSA rates so as to ensure that a comprehensive, flexible and transparent mechanism is in place.

5. The present report responds to these requests by providing a comprehensive overview of all facets of the entitlements of staff assigned to United Nations peace-keeping missions, including the establishment and application of MSA.

II. BACKGROUND

6. Before examining the entitlements of staff assigned to peace-keeping missions, it is useful to note those entitlements which apply to the normal movement of staff from duty station to duty station under regular rotation or assignment schemes. Under such schemes, it is important to note that the minimum period for entitlement is one year. Three categories of staff are involved - the General Service and related categories, the Field Service, and staff in the Professional and higher categories. For Professional staff, the regular entitlements on assignment to a new duty station are base/floor salary, post adjustment, assignment grant, moving expenses/shipping, education grant, rental subsidy, mobility and hardship allowance, and hazard pay.

7. To take a specific example of a staff member at the P-4, step VI, level moving from New York, Geneva, Vienna, Santiago or Addis Ababa to Luanda for a period of two years, the following annual entitlements would apply, in United States dollars:

	Duty station of origin				
	New York	Geneva	Vienna	Santiago	Addis Ababa
Base/floor salary (Dependency rate)	54 123	54 123	54 123	54 123	54 123
Post adjustment (42.1)	22 786	22 786	22 786	22 786	22 786
Assignment grant a/	5 635	5 635	5 635	5 635	5 635
Moving expenses/shipping a/	17 500	15 000	15 000	17 500	9 000
Education grant b/	9 444	9 444	9 444	9 444	9 444
Rental subsidy c/	18 000	18 000	18 000	18 000	18 000
Mobility and hardship allowance d/	23 073	23 073	23 073	23 073	23 073
Hazard pay	n/a	n/a	n/a	n/a	n/a
Total	150 561	148 061	148 061	150 561	142 061

a/ Prorated over two years.

b/ Assume one child at boarding school in Paris, total cost $15,000 a year.

c/ Assume monthly rent of $2,500.

d/ Assume staff member has been at present duty station for five years and was previously at a headquarters duty station (type H).

8. The Field Service category was created specifically to support peace-keeping operations. Staff are internationally recruited and are on short notice for movement at any time, while maintaining a designated or home duty station (usually in one of the five established, family peace-keeping mission duty stations). The category covers seven broad occupations - finance, personnel, general services, procurement, transport, communications and logistics/movement control. Field Service staff are paid against a salary scale established in relation to the lower portion of the Professional salary scale (P-1-P-4) and the upper portions of a notional average General Service scale (G-4-G-7). They share the entitlements of the Professional staff.

9. To continue the specific example used above, the following entitlements would apply to an FS-6, step V, staff member moving from another peace-keeping mission to Luanda for a period of two years (assuming that the staff member has the average for the category of three prior moves in six years between one C, one D and one E level duty station), in United States dollars:

Base/floor salary (dependency rate)	45 421
Post adjustment	19 122
Assignment grant	10 239
Moving expenses	7 500
Education grant	9 444
Rental subsidy	18 000
Mobility and hardship allowance	19 363
Hazard pay	n/a
Total	129 089

10. Staff in the General Service and related categories are locally recruited. When they are selected for mission assignment, they retain the salary scale applicable for local staff, to which are added such international entitlements as the installation allowance, education grant, rental subsidy and hazard pay. Under the example above, a GS-6, step V, moving from New York, Geneva, Vienna, Santiago or Addis Ababa to Luanda would receive the following entitlements, in United States dollars:

Local salary scale (dependency rate)	16 752
Child's allowance	468
Assignment grant	n/a
Moving expenses/shipping	n/a
Education grant	n/a
Rental subsidy	n/a
Mobility and hardship allowance	n/a
Hazard pay	n/a
Total	17 220

11. Under normal circumstances, it is very unusual for staff in the General Service and related categories to move on international assignment, given that in most situations locally recruited staff are available to provide the support functions that are characteristic of this category of staff. Only when a particular skill cannot be found in a particular location is the possibility considered of appointing an international General Service staff member.

12. Personnel recruited from outside the United Nations common system organizations are referred to as mission appointees: they receive base salary, hazard pay and MSA, but not the other entitlements of United Nations staff, which are associated with long-term service in the Organization.

13. Until 1988, peace-keeping and related field missions were mainly restricted to the long-standing operations: the United Nations Interim Force in Lebanon (UNIFIL), the United Nations Truce Supervision Organization (UNTSO), the United Nations Peace-keeping Force in Cyprus (UNFICYP), the United Nations Military Observer Group in India and Pakistan (UNMOGIP) and the United Nations Disengagement Observer Force (UNDOF). These missions were established under the staff rules as family missions, staff were assigned to them on regular rotation, their dependants installed with them and emoluments paid based on established local conditions. However, beginning with the United Nations Good Offices Mission in Afghanistan and Pakistan (UNGOMAP) and the United Nations Iran-Iraq Military Observer Group (UNIIMOG) in 1988 came the first of the missions of the modern era to be designated as "special" and "non-family" missions.

14. Designation as a special mission in the sense of Staff Rule 103.21 has normally been made in connection with assignments to peace-keeping operations or other related missions (good offices, humanitarian relief, human rights) of short to medium-term duration which do not involve a transfer between duty stations: staff are assigned on a temporary basis and are expected to return to their official duty station following completion of a short period of mission assignment. Designation of "non-family" status derives from the provisions of the United Nations Security Manual: such a designation occurs when the assignment of staff to a specific location may pose either a security or a health hazard for a staff member and his/her dependants. In security terms, the trigger for "non-family" designation is usually the declaration by the United Nations Security Coordinator of a phase III security level (evacuation of non-essential staff).

15. Since 1988, the following missions have been designated as special and non-family missions:

Mission	Area	Duration
UNIIMOG	Islamic Republic of Iran-Iraq	1988-1991
UNGOMAP	Afghanistan-Pakistan	1988-1990
United Nations Transition Assistance Group (UNTAG)	Namibia	1989-1990
United Nations Observer Group in Central America (ONUCA)	Central America	1989-1992
United Nations Angola Verification Mission I (UNAVEM I)	Angola	1989-1991
Office of the Secretary-General in Afghanistan and Pakistan (OSGAP)/ Office of the Secretary-General in Afghanistan (OSGA)	Afghanistan-Pakistan	1990-present
United Nations Iraq-Kuwait Observation Mission (UNIKOM)	Iraq-Kuwait	1991-present
UNAVEM II	Angola	1991-1995
United Nations Observer Mission in El Salvador (ONUSAL)	El Salvador	1991-1995
United Nations Mission for the Referendum in Western Sahara (MINURSO)	Western Sahara	1991-present
United Nations Advance Mission in Cambodia (UNAMIC)	Cambodia	1991-1992
United Nations Special Commission (UNSCOM)	Iraq	1991-present
United Nations Protection Force (UNPROFOR)	Former Yugoslavia	1992-1995
United Nations Transitional Authority in Cambodia (UNTAC)	Cambodia	1992-1993
United Nations Operation in Somalia I (UNOSOM I)	Somalia	1992-1993
United Nations Observer Mission in South Africa (UNOMSA)	South Africa	1992-1994
United Nations Operation in Mozambique (ONUMOZ)	Mozambique	1992-1995
UNOSOM II	Somalia	1993-1995
United Nations Mission in Haiti (UNMIH)	Haiti	1993-present

Mission	Area	Duration
United Nations Mission of Observers in Tajikistan (UNMOT)	Tajikistan	1993-present
United Nations Observer Mission in Georgia (UNOMIG)	Georgia	1993-present
United Nations Observer Mission in Liberia (UNOMIL)	Liberia	1993-present
United Nations Observation Mission Uganda-Rwanda (UNOMUR)	Uganda-Rwanda	1993-1994
United Nations Assistance Mission for Rwanda (UNAMIR)	Rwanda	1993-present
United Nations Aouzou Strip Observer Group (UNASOG)	Aouzou Strip	1994
United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA)	Guatemala	1994-present
UNAVEM III	Angola	1995-present
United Nations Peace Forces (UNPF)/United Nations Confidence Restoration Operation in Croatia (UNCRO)	Croatia	1995-present
United Nations Preventive Deployment Force (UNPREDEP)	The former Yugoslav Republic of Macedonia	1995-present
UNPROFOR	Bosnia and Herzegovina	1995-present

16. Staff at special non-family missions are expected to leave their families at the parent duty station or, at least outside the mission area, for obvious reasons of security. In the event of a sudden need to evacuate staff members, the allocation of scarce resources to unauthorized dependants is not acceptable. To this end, the Secretary-General has recently taken steps to ensure that dependants do not join staff at non-family duty stations.

17. The overall entitlements package for staff serving in special field missions has to be responsive to the operational needs of the mission. These operational requirements are one of the principal components in determining the entitlements package so that highly qualified personnel, both those who have dependants and those who do not, are encouraged to serve in the field. The entitlements package should also be designed so that those staff members with

proven abilities remain in the field, enabling the Organization to take advantage of their experience. Ideally, the entitlement package would be linked to a comprehensive career development programme, which would acknowledge and reward mission service. In the absence of such a career development programme, the entitlements package should not penalize staff members who either serve or have served in field missions.

18. One of the handicaps under which special missions labour in terms of entitlements is the short length of the mandate period. If the mandate periods were to be established from the outset for periods in excess of one year, the normal rules of assignment could apply. However, they are not. In most cases, the initial mandate period is very short and renewal periods rarely exceed six months at a time (see table 1 below). Application of the entitlements of regular assignment is thus precluded and it would not be cost-effective to install staff in a new duty station for such short periods. There is no provision for a medium-term assignment period covered in the Staff Rules. For short-term assignments (i.e. up to six months), the Secretary-General has little alternative but to place staff in travel status under Staff Rule 103.21, on special mission assignment. To date, such assignments have always been envisaged as being capable of extension for cumulative periods of more than a year. Short-term assignment is governed by the application of the entitlements of the parent duty station, plus payment of a subsistence allowance to offset costs incurred while in travel status (MSA).

Table 1

Monthly periods of mandates of current special peace-keeping operations (as of 1 September 1995)

	Mandates	
Mission	Initial	Subsequent
UNMIH	6	6, 6, 7
MINUGUA	6	6
MINURSO	9	3, 3, 3, 3, 4, 2, 4, 3, 4, 4, 6, 1, 3
UNAVEM III	7	10, 6, 4.5, 4.5, 3, 2, 2, 6, 6
UNOMIL	7	6, 3, 3, 2, 3, 4.5
UNAMIR	6	3, 5, 6, 6
UNIKOM	6	6, 6, 6, 6, 6, 6, 5, 3, 6
UNMOT	3	3, 3, 5, 6, 4, 6, 6
UNOMIG	6	4, 6, 4, 8
UNPROFOR	12	12, 6, 6, 8
UNPF/UNCRO	8	
UNPREDEP	8	

Note: The mandates of OSGA and UNSCOM are not tied to a specific time-frame. However, the accounting periods for these missions are six months and four months, respectively.

19. The logic and rationale for the establishment and application of MSA is grounded upon three principles: the operational needs of the mission; the need to attract highly qualified individuals to serve in field missions; and the need to retain the services of experienced personnel for service in field missions. From these three principles flow a number of standards and conclusions:

(a) All staff serving in the same location under the same conditions receive the same emoluments. In other words, all staff eligible for MSA (whether United Nations staff or mission appointees, civilian, military observers, civilian police or monitors) receive the same amount of subsistence allowance to meet costs incurred in the mission area;

(b) Under most circumstances, MSA is paid on a uniform basis throughout the mission area. Exceptions to this rule are feasible only when particular parts of mission areas are geographically separated from parts of other mission areas, as in the case of Brindisi and the former Yugoslav Republic of Macedonia. Uniformity is an operational and administrative requirement for the following reasons;

(i) For a Special Representative of the Secretary-General and/or Force Commander, it is essential that mobility be maximized, with all categories of staff capable of redeployment as operational needs dictate at very short notice: such flexibility would be hampered by differential MSA rates. Unlike regular assignments, mission work is not concentrated in a specific duty station but may require service across a number of locations in a mission area;

(ii) For a Special Representative of the Secretary-General, Force Commander and/or Chief Administrative Officer, it is essential that staff rotation be maximized. Regular rotation, exposing personnel to the varying circumstances and conditions of the mission, shares the burdens of service and increases understanding, communication and cooperation between mission sectors, thereby increasing work efficiency and bolstering staff morale. Such benefits could not be attained with differential MSA rates that would curtail rotation;

(iii) Establishing and tracking differential MSA rates would create a significant administrative burden. It would increase the work of the office responsible for setting MSA rates. In addition, the information necessary for developing accurate differentiated MSA rates is often incomplete;

(iv) Administering differentiated MSA rates would result in a significant increase in administrative costs. To monitor, record and account for the movements of personnel day by day, as required by the administration of differential rates, would necessitate additional personnel and overhead expenses;

(c) Mission assignees, who are United Nations staff, both with and without dependants, continue to receive their regular post adjustment while on mission service. Reducing post adjustment without the establishment of a comprehensive career development programme to recognize mission service would discourage

personnel from serving in field missions and thus deprive the Organization of the breadth of experience staff members gain while serving in the field. A financial disincentive would inhibit highly qualified individuals from serving in the field and complicate the retention of experienced personnel;

(d) The mission area is defined in such a way as to allow for continuous payment of MSA during periods of compensatory time-off or leave granted as respite from very difficult conditions of service.

20. The current rates of MSA applicable in the United Nations special field missions are as follows:

Table 2

Current rates of MSA applicable in the special United Nations field missions (as of 1 September 1995)

(In United States dollars per day)

Mission	Location/mission area	MSA		Effective date
		First 30 days	Regular	
UNMIH	Haiti	123	87	1/11/94
MINUGUA	Guatemala	107	82	1/1/95
MINURSO	Western Sahara a/	60 b/	60 b/	1/7/94
UNAVEM III	Angola	65 b/	65 b/	1/8/95 d/
UNOMIL	Liberia	120	85	20/8/93
UNAMIR	Rwanda	108	97	1/11/94
	Nairobi	KSh 170 000 per month		1/7/94
Office of the Special Envoy of the Secretary-General (OSESG)	Sierra Leone	86 c/	86 c/	1/4/95
OSGA	Islamabad	95	42	16/12/94
	Jalalabad	35	35	1/3/95
	Kabul	46	46	16/12/94
Office of the Special Representative of the Secretary-General (OSRSG)	Burundi	131 c/	101 c/	15/4/95
UNMOT	Tajikistan	115	15	16/12/94
UNOMIG	Georgia	85	85	16/12/94

Mission	Location/mission area	MSA First 30 days	MSA Regular	Effective date
UN Guards Contingent UNIKOM United Nations Iraq Relief Coordination Unit UNSCOM	Iraq Northern Iraq	125 80	125 80	15/2/94 1/9/95
UNIKOM	Kuwait and demilitarized zone	115 b/	115 b/	1/12/92 d/
UNSCOM	Bahrain	102	102	1/2/95
UNPF/UNCRO	Croatia, United Nations protected areas, Belgrade	120	90	1/4/95
	Brindisi	Lit 4 475 000 monthly	Lit 3 700 000 monthly	1/4/95
UNPROFOR	Bosnia and Herzegovina	120	90	1/4/95
UNPREDEP	Macedonia	82	70	1/4/95

a/ Mission area includes Algeria, Mauritania, Morocco and the Canary Islands.

b/ Accommodation provided: in Angola, should mission personnel be compelled to pay for their accommodation, they are reimbursed the actual cost up to a maximum of $50 a day.

c/ Provisional.

d/ Updated by questionnaire on occasion of latest review.

III. DEFINITION AND AUTHORITY

21. MSA is defined as the total contribution of the Organization towards living expenses incurred in the field in connection with special mission assignment. The establishment of MSA applicable to international personnel assigned to peace-keeping and other United Nations operations in the field, including international civilian staff, military observers and civilian police, is based on Staff Rule 103.21. This rule provides, inter alia, that:

> "The Secretary-General may designate special mission assignments, including assignments for periods of one year or more, during which a mission subsistence allowance shall be authorized in lieu of the mobility and hardship allowance under rule 103.22, the assignment grant under rule 107.20 and any post adjustment to the area applicable under rule 103.7 (c). Where such a designation has been made, the mission subsistence allowance shall be payable to staff members recruited or assigned from outside the area of the mission, and the salaries of staff members assigned from another duty station shall continue to be subject to the post adjustment and allowances, if any, applicable at the duty station from which the staff members were assigned.

Also,

> "the Secretary-General shall set the rates and conditions for the mission subsistence allowance payable on each such assignment ... The allowance may be paid wholly or partially in the currency of the mission area or in the form of provision of food and/or lodging in kind."

22. MSA is intended to offset expenses faced in the field. It does not recognize hardship and does not include specific incentive payment for mission service. It is not intended to address any of the continuing expenses facing United Nations staff in their parent duty station. In the case of staff in the Field Service and the Professional and higher categories, the continued payment of base salary, post adjustment and other allowances or entitlements (e.g. mobility/hardship allowance, rental subsidy) is intended to meet these expenses. For staff in the General Service category, the continued payment against the local salary scale plus related entitlements (spouse/children's allowance) is similarly intended.

23. The point has been made whether the retention of the entirety of the parent duty station emoluments should continue if a staff member remains on field mission assignment for an extended period (one year or more). Single staff members are assumed to have lower costs in the parent duty station: they are paid a lower base salary and a lower post adjustment for this reason. However, it cannot be assumed that their costs become zero when they join field missions, for they normally maintain their accommodation at the parent duty station: the costs that do not continue in the parent duty station are those for food and such incidentals as laundry, toiletries, newspapers, etc. that are now incurred in the field. On the other hand, a category of extra expenses prior to field assignment can be identified, such as clothing and footwear for different geographical conditions, electrical converters, connection or disconnection of appliances, security or cleaning arrangements, storage costs for valuables, etc. These predeparture expenses are mainly, but not entirely, one-time expenses. For staff members with dependants at the parent duty station, the assignment to a field mission creates additional costs of regular communication with and visits to the family, which offset the perceived savings in food and incidental costs for one member of the family.

IV. ESTABLISHMENT AND MAINTENANCE OF MISSION SUBSISTANCE ALLOWANCE RATES

24. When a special mission is established, usually by decision of the Security Council, a field survey is conducted by a compensation specialist from the Common System and Compensation Service, Office of Human Resources Management, in close cooperation with the Field Administration and Logistics Division of the Department of Peace-keeping Operations, for the purpose of gathering data on living expenses that will serve as a basis for determining the initial MSA rates applicable to mission personnel. A detailed assessment is prepared of the costs of accommodation (including, if appropriate, the possibility of accommodation being provided by the Organization), food and incidentals. Attention is given to the commodities, goods and services, or indeed infrastructure, that may be lacking in a locality: for example, utilities may have been destroyed or interrupted. The cost of communication with locations outside the mission area is also taken into account, as well as any conditions of life and work peculiar to the location (such as altitude, medical care, extremes of climate or availability of newspapers/magazines).

25. A comprehensive and detailed questionnaire has been developed by the Common System and Compensation Service, Office of Human Resources Management, to capture all costs associated with mission service, whether prior to departure, or as part of the mission set-up, or as in mission costs, or costs of family reunion/visit, or extra costs incurred by dependants in the absence of a staff member. This questionnaire format is also used to update mission allowances.

26. A survey report and related recommendations are then submitted to the Assistant Secretary-General for Human Resources Management for review and promulgation of MSA and related rates on behalf of the Secretary-General.

27. Subsequently, the rates of MSA are reviewed on a regular basis in order to verify that the various elements and costs taken into account in arriving at the initial rates are still valid: if necessary, further field analysis is carried out by the Common System and Compensation Service. Between field surveys, rates of MSA may also be adjusted periodically on the basis of information on the level of actual expenditures in the mission area provided by the Chief Administrative Officer and the administrative services of the mission.

28. As indicated above, particular attention is paid to the operational needs of a mission in establishing a rate of MSA: in some cases, it may be feasible for the mission to contract en bloc for the provision of accommodation, food and related services. In such cases, the MSA is reduced accordingly, with separate rates established for "accommodation provided" or "accommodation and food provided". This approach lends itself to savings as against payment of full MSA.

29. In some mission areas, there may be serious shortages or an outright non-availability of particular goods or services. Attention has then to be paid in the MSA rate to the cost for the staff members of bringing such elements into the mission area. For example, potable water may either be provided free of charge (with a lower MSA) or paid for out of MSA (with a higher rate).

V. ELIGIBILITY FOR RECEIPT OF MISSION SUBSISTENCE ALLOWANCE

30. When a peace-keeping or other field operation is designated as a special mission under the Staff Rules, MSA is established under Staff Rule 103.21 for those staff members who are recruited or assigned from existing service in the United Nations common system from outside the mission area. Staff members in the Professional and higher categories, the Field Service and the General Service and related categories who are detailed or assigned from their parent duty station to mission continue to receive the emoluments which are applicable at their duty station of origin. Professional or Field Service categories recruited specifically for service related to a particular special mission receive the corresponding base salary but not the post adjustment. MSA is also applicable to military observers, civilian police monitors and human rights monitors who are recruited from outside the United Nations common system. For these staff, the MSA constitutes the sole contribution of the Organization to their emoluments. MSA is not paid to staff recruited locally within the mission area in the General Service and related categories.

VI. MISSION SUBSISTENCE ALLOWANCE AND DAILY SUBSISTENCE ALLOWANCE

31. MSA rates are sometimes compared with United Nations rates of daily subsistence allowance (DSA) established by the International Civil Service Commission or with national rates of travel/subsistence allowances. Such comparisons can be misleading. DSA is established for a different purpose. It is part of the payment by the United Nations towards the travel expenses of a staff member on initial appointment, on change of duty station, on separation from service, for short-term travel on official business, for home leave travel and on family visit or education grant, if applicable. It is not intended to cover short periods of temporary assignment.

32. Under the United Nations Staff Regulations, article VII, regulation 7.1, the United Nations shall, in appropriate cases, pay the travel expenses of staff members, their spouses and dependent children. Staff Rule 107.15 stipulates that a staff member authorized to travel at United Nations expense shall receive an appropriate DSA in accordance with a schedule of rates established from time to time: reductions are made in cases where lodging or meals are provided free of charge by the United Nations, by a Government or by a related institution. This allowance is deemed to comprise the total contribution of the Organization towards such charges as meals, lodging, gratuities and other payments made for services rendered. Any expenditures incurred in excess of the allowance are borne by the staff member. While a staff member is in travel status, the emoluments of the duty station of assignment continue to be paid (base salary, post adjustment, assignment allowance, mobility/hardship allowance, etc.).

33. The International Civil Service Commission is responsible for establishing the schedule of rates of DSA: the schedule is promulgated on a monthly basis by the Chairman of ICSC. 7/ The rates are increased by 15 per cent for staff at the D-1 and D-2 levels, and by 40 per cent for staff at the Assistant Secretary-General and Under-Secretary-General levels. The rates are established on the basis of data supplied by the designated agency (the lead organization of the

common system) at each duty station, covering good commercial grade hotels and meals in commercial restaurants: 15 per cent is normally added for "incidental" expenses (tips, local transportation, laundry, toiletries, etc.). The rates are promulgated in the ICSC/CIRC/DSA series of issuances of the Commission and are shown in both United States dollars and in local currency: room rates as a percentage of DSA are listed separately. A first-60-day and (usually) a lower, after-60-day rate are established for capital cities, for other specific duty stations in a country and/or for catch-all "elsewhere" areas.

34. Table 3 below compares the DSA rates established for each duty station in the areas of peace-keeping operations with the current daily rate of MSA:

Table 3

Comparison of DSA and MSA rates in United Nations special field mission locations

(as of 1 September 1995)

(In United States dollars)

Mission	Location/ mission area	MSA		Duty station	DSA	
		First 30 days	Regular		First 60 days	After 60 days
UNMIH	Haiti	123	87	Port-au-Prince	135	2,030 Gourdes a/
				Elsewhere	71	1,070 Gourdes a/
MINUGUA	Guatemala	107	82	Guatemala City	114	479 Quetzales
				Elsewhere	61	257 Quetzales
MINURSO	Western Sahara	60 b/	60 b/	N/A	N/A	N/A
UNAVEM	Angola	65 b/	65 b/	Luanda (Hotels Presidente, Meridien)	237	1,395 mill. N. Kwanzas a/
				Luanda (elsewhere)	162	940,000,000 N. Kwanzas a/
				UNDP Guest House Luanda	109	630,000,000 N. Kwanzas a/
				Sumbe	72	418,000,000 N. Kwanzas a/
				Lobito	69	400,000,000 N. Kwanzas a/
				Sanrimo	52	302,000,000 N. Kwanzas a/
UNOMIL	Liberia	120	85	Monrovia	149	149
				Elsewhere	40	40
UNAMIR	Rwanda	108	97	Gisenyi	81	N/A a/
				Kigali	130	N/A a/
				Kigali (Milles Collines)	197	N/A a/
				Kibungo	64	N/A a/
				Butare	48	N/A a/
				Gabiro	34	N/A a/
				Elsewhere	29	N/A a/
				Cyangugu	13	N/A a/
	Nairobi	100 c/	100 c/	Nairobi	136	5,660 KSh
OSGA	Islamabad	95	42	Islamabad (Marriott)	147	3,400 Rupees
				Islamabad (elsewhere)	107	2,470 Rupees
	Jalalabad	35	35	Jalalabad	35	137,000 Afghanis a/
	Kabul	46	46	Kabul	46	179,000 Afghanis a/
UNMOT	Tajikistan	115	115	Dushanbe	119	11,300 Roubles a/
				Elsewhere	75	7,130 Roubles a/
UNOMIG	Georgia	85	85	Tbilisi	250	1,105,000 Roubles a/
				Elsewhere	85	376,000 Roubles a/

/...

Mission	Location/ mission area	MSA		Duty station	DSA	
		First 30 days	Regular		First 60 days	After 60 days
UNGCI UNIKOM UNIRCU UNSCOM	Iraq	125	125	Baghdad (Al-Rasheed, Palestine, Ishtar, Al-Hamra)	125	125 a/
	Northern Iraq	80	80	Baghdad (elsewhere)	95	95 a/
				Elsewhere	95	95 a/
UNIKOM	Kuwait and DMZ	115 b/	115 b/	Kuwait (all areas)	241	54 dinars
UNSCOM	Bahrain	102	102	Bahrain (all areas)	136	38 dinars
UNPF/UNCRO	Croatia, UNPAs	120	90	Zagreb Intercontinental and Esplanade)	190	1,020 Kuna a/
				Split (Hotel Split)	190	1,020 Kuna a/
				Dubrovnik, Split and Zagreb (elsewhere)	135	730 Kuna a/
				Elsewhere	90	484 Kuna a/
	Belgrade	120	90	Belgrade (Hyatt and Intercontinental)	180	265 Y. dinars a/
				Belgrade (elsewhere)	60	88 Y. dinars a/
	Brindisi	98 d/	77 d/	Brindisi	121	147,000 It. Lire
UNPROFOR	Bosnia and Herzegovina	120	90	Sarajevo (Holiday Inn)	200	27,600 BH dinars a/
				Sarajevo (elsewhere)	95	13,100 BH dinars a/
				Elsewhere	65	8,970 BH dinars a/
UNPREDEP	Macedonia	82	70	Skopje (Jadran and Grand)	125	3,680 M. dinars
				Skopje (elsewhere)	82	3,220 M. dinars
				Elsewhere	60	2,360 M. dinars

a/ No change in rate after 60 days.

b/ Accommodation provided.

c/ Paid in local currency at rate of 170,000 Kenyan shillings a month.

d/ Paid in local currency at monthly rates of LIT 4,475,000 and LIT 3,700,000 respectively.

35. The main differences between MSA and DSA are set out in table 4 below.

Table 4

MSA	DSA
1. Applies only to mission service, in broadly defined areas.	1. Applies to all staff in travel status worldwide, by specific location (at times specific hotels).
2. Usually applies to minimum periods of over three months.	2. Applies to travel status for several days, or at most, a few weeks.
3. Supplement of 10 per cent applies to staff at D-1/D-2 levels.	3. Supplement of 15 per cent applies to staff at D-1/D-2 levels.
4. Supplement of 25 per cent applies to staff at ASG/USG levels.	4. Supplement of 40 per cent applies to staff at ASG/USG levels.
5. Based on hotel/rental accommodation, restaurant/ self-provided meals, and actual costs of incidentals.	5. Based on hotel room costs and meals. Standard rate for incidentals.
6. Has higher initial rate for 30 days.	6. Has higher initial rate for 60 days.
7. Is uniform within a mission area.	7. Varies by geographical location, and, in some cases, by hotel or season.
8. Is usually established by field mission review, supplemented by questionnaires.	8. Is usually established by questionnaire provided by field offices.
9. Incidentals may vary between 10 and 25 per cent of accommodation and meal costs according to conditions/availability of infrastructure.	9. Incidentals are a standard 15 per cent of accommodation and meal costs.

36. In essence, therefore, the DSA is designed to offset travel costs incurred for short periods under normal circumstances. MSA, however, is designed to offset subsistence costs incurred over longer periods of time under varying conditions of mission service. DSA focuses only on travel-related expenses, whereas MSA takes into account broader parameters of costs associated with assignment and conditions of life and work.

VII. MSA, HAZARD PAY AND HARDSHIP ALLOWANCE

37. Questions have been raised regarding the relationship between MSA, hazard pay and hardship allowances. Ab initio there is no interrelationship between these three elements. However, it is perhaps useful to outline the manner in which these entitlements are calculated by the International Civil Service Commission (ICSC). It should be noted that, while hazard pay may be applicable to United Nations civilian personnel in special field missions, the ICSC hardship scheme is not so applied to temporary assignments.

Hardship allowance

38. The determination of the level and application of hazard pay and the hardship allowance are responsibilities of ICSC. Under article 10 (c) of its statute, the Commission makes recommendations to the General Assembly on allowances and benefits of staff, which are determined by the Assembly (dependency allowances, language incentive for staff in the Professional and higher categories, education grant, home leave, repatriation grant and termination indemnity). Article 11 (b) of the statute, however, sets out that ICSC shall establish rates of allowances and benefits, other than pensions and those referred to under article 10 (c), the conditions of entitlement thereto and standards of travel. Thus, the Commission has the authority both to establish the hardship allowance and hazard pay, as well as the conditions of entitlement that govern their applicability. In recent practice, ICSC has reported its decisions to the General Assembly, which in turn has taken a decision to endorse the work of the Commission.

39. In 1979 and 1980, 8/ ICSC set out a framework for a scheme of classification of duty stations according to conditions of life and work (health, climate, security, isolation, housing, local conditions, schooling) (hardship scheme). The Commission made recommendations to the organizations of the common system, because changes in the Staff Regulations were necessary as far as changes in home leave and education grant provisions were concerned. ICSC also introduced, in 1980, a financial incentive in the form of an increase in the assignment grant for staff working under the most difficult conditions. A year later, the Commission reported to the Assembly on its decisions 9/ regarding the hardship scheme, including eligibility for the financial incentive (at a level of $2,400 a year for staff members with dependants assigned to very difficult duty stations).

40. The hardship scheme evolved during the 1980s under the aegis of the Commission as a system of recognition for service in difficult duty stations. Three mechanisms - the financial incentive, the assignment allowance and the accelerated or 18-month home leave entitlement - became the main elements of the compensation package under the scheme. In 1989, as part of the comprehensive review of the conditions of service of staff in the Professional and higher categories, the General Assembly approved 10/ the current mobility and hardship scheme, which subsumed the three previous elements of recognition of hardship on a cost-neutral basis. 11/ The mobility and hardship scheme became effective on 1 July 1990. ICSC reviewed the new scheme in 1992 12/ and recommended that its parameters be maintained, including the linkage with the base/floor salary. It

will next be reviewed in 1996. A brief description of the scheme is set out in the annex.

Hazard pay

41. At the thirty-ninth session of the General Assembly, the Commission reported on its decisions with regard to hazard pay for staff assigned to duty stations where very hazardous conditions prevailed. These decisions were taken within the overall framework of the hardship scheme. Hazard pay was introduced for staff obliged to serve at duty stations where very hazardous conditions, such as war or active hostilities, prevailed and where the evacuation of families and non-essential staff had taken place. Authority for the approval of hazard pay was delegated by the Commission to the ICSC Chairman. 13/ In 1991, the Commission reaffirmed the principle of hazard pay, as well as the criteria approved in 1984 and approved a range of between 10 and 30 per cent of the net base salary at P-4, step VI, to determine the amount of hazard pay; local staff would be paid a concomitant percentage of their base remuneration.

42. At its fortieth session, ICSC had before it updated information on the operation of hazard pay. The ICSC secretariat proposed consolidation and reaffirmation of existing arrangements, with some minor changes to reflect current practices: (a) while the evacuation of staff would normally serve as a precondition for hazard pay, there might be exceptional circumstances where it did not occur; and (b) hazard pay would be approved for up to three months at a time as experience had shown month-to-month renewals to be logistically impracticable. The secretariat of ICSC also proposed a monitoring system to report staff numbers in an efficient manner and update them every six months.

43. The Commission reaffirmed its 1984 decision regarding exceptional measures (hazard pay) to compensate staff obliged to serve at duty stations where very hazardous conditions such as war or active hostilities prevailed and where the evacuation of families and non-essential staff had taken place; it further reaffirmed that authority for the approval of these measures should continue to be delegated to the Chairman. It decided to restate the arrangements for the granting of hazard pay as follows:

(a) Form of hazard pay. Additional monthly compensation for staff required to work under hazardous conditions;

(b) Where applicable. In duty stations where very hazardous conditions, such as war or active hostilities prevailed; although the normal precondition would be the evacuation of families and non-essential staff, there might be exceptional circumstances (i.e. newly established duty stations in conflict areas) where evacuation did not arise as a precondition;

(c) Eligibility:

(i) Internationally recruited staff required by their organizations to serve at the duty station in question;

(ii) Locally recruited staff who were required to report to work and who did so;

(d) Duration. Applicable for up to three months at a time, subject to ongoing review in the light of prevailing conditions;

(e) Amounts:

(i) For internationally recruited staff, 20 per cent of the net base/floor at salary P-4, step VI (dependency rate);

(ii) For locally recruited staff: 20 per cent of the mid-point of the applicable local salary scale; in cases where staff might receive less under the new arrangements, transitional measures would consist of a continuing payment at the existing rate until there ceased to be a difference between the old and new amounts.

44. As of 1 September 1995, hazard pay is applicable in 12 countries or areas at the standard rates of $902 a month for internationally recruited staff and of 20 per cent of the mid-point of the applicable salary scale for locally recruited staff (see table 5).

Table 5

Exceptional measures in hazardous duty stations

	Effective date	Next review date
Afghanistan	01/08/88	30/11/95
Algeria	01/05/94	30/11/95
Angola (except Luanda)	04/11/92	30/11/95
Bosnia and Herzegovina	01/07/92	30/11/95
Burundi	01/05/95	30/11/95
Georgia (Abkhazia and South Ossetia)	16/09/93	30/11/95
Iraq (outside Baghdad and DMZ)	16/01/91	30/11/95
Liberia	17/10/92	30/11/95
Somalia	01/12/91	30/11/95
Southern Sudan (Upper Nile, Bahr El Ghazal and Equatoria)	16/10/93	30/11/95
UNPAs in Croatia	01/04/95	30/11/95
Zaire (Goma, Bakavu and Uvira)	01/08/94	30/11/95

For hazard pay to be certified, physical presence in a defined area or location of hazard is required: the entitlement is prorated on a daily basis should a staff member leave a hazardous area or location.

45. In the majority of cases, hazard pay applies to locations or areas in special peace-keeping missions. In southern Sudan and eastern Zaire, it covers humanitarian operations. At the same time, it may be noted that not all peace-keeping operations are subject to hazard pay.

VIII. MSA AND THE PRACTICES OF THE COMPARATOR CIVIL SERVICE

46. The criteria applied and the modalities established by the Secretary-General in implementing the current system of entitlements for service in peace-keeping missions is pragmatic, simple and operationally sensitive. Detailed comparisons between United Nations entitlements and those of the comparator civil service in the case of staff in the Professional and higher categories show that the former, in most cases, are less generous. However, a number of questions have been raised with regard to the practices of the comparator civil service in respect of service comparable to that in special missions, and, in particular, equivalent allowances to the United Nations system of MSA.

47. The comparator civil service provides a number of allowances and benefits that are intended to encourage staff to serve overseas and to account for conditions that are unlike those found in the United States. Although it is difficult to establish a direct equivalency of entitlements compared with the United Nations common system, several comparator allowances and benefits have been identified by ICSC as broadly reflecting mobility and hardship considerations. Three elements in particular merit consideration - per diem allowances, danger pay and allowances for government civilians assigned to foreign areas.

Per diem allowances

48. The maximum rates of per diem allowances for travel in foreign areas are established by the Secretary of State and apply to all United States government employees and contractors. These rates are governed by the Federal Travel Regulations (chapter 301-7) as established by the General Services Administration. With effect from 1 December 1990, the General Services Administration revised the Federal Travel Regulations to implement a lodging plus foreign area per diem system world wide. Under this system, reimbursements are limited to actual lodging expenses (up to a maximum dollar amount) plus an amount for meals and incidental expenses (MIE).

49. For civilian employee travel in foreign areas involving special or unusual circumstances, such as those that might obtain in the area of a peace-keeping operation, the reimbursement of actual and itemized subsistence expenses cannot exceed 150 per cent of the applicable maximum foreign travel per diem allowance, or that allowance plus $50, whichever is greater. The reimbursement for MIE cannot exceed 150 per cent of the applicable MIE rate, or that rate plus $25, whichever is greater. The reimbursement of actual expenses is governed by chapter 301-8 of the Federal Travel Regulations.

50. The foreign travel per diem allowance is characterized as "a payment in lieu of reimbursement for actual subsistence expenses". 14/ It applies to government civilian personnel on temporary travel status on official business

away from an official post of assignment. The established rates are maxima, which may be reduced by authorizing officials (e.g. if discounts are available). Separate amounts are established for lodging and for MIE. The maximum lodging amount is intended "to substantially cover the cost of lodging at adequate, suitable and moderately priced facilities". 15/ The MIE portion is intended "to substantially cover the cost of meals and incidental travel expenses such as laundry and dry cleaning".

51. The per diem rates are based on costs reported by foreign posts and include prices for hotel rooms and meals at facilities "representative of moderately priced and suitable" hotels and restaurants "most frequently used" by typical federal government travellers. The lodging portion of the allowance is based on average reported costs for a single room with bath, including any mandatory service charges and taxes. If meals are included in the charges for lodging, these costs are adjusted to exclude them. The meal portion is based on the costs of an average breakfast, lunch and dinner at facilities typically used by employees at a location, including taxes, service charges and customary tips. The MIE rate is based on these meal costs, plus 10 per cent of the combined lodging and meal costs to cover incidental travel expenses (laundry, dry cleaning, tips and related travel expenses).

52. The per diem rates are revised at regular intervals and a supplement is published monthly. Table 6 presents a comparison of the United Nations rates of MSA and the United States Department of State per diem allowance rates (USPDA) for each of the locations where the United Nations has a special field mission.

Table 6

Comparison of United Nations MSA rates and United States per diem allowances for foreign areas for United Nations special field mission locations

(as of 1 September 1995)

(In United States dollars) a/

	UN/MSA			US/PDA		
Mission	Location/ mission area	First 30 days	Regular	Location/ mission area	Amount	Effective date
UNMIH	Haiti	123	87	Port-au-Prince/ Petronville	152	1/11/94
				Other	66	1/6/92
MINUGUA	Guatemala	107	82	Guatemala City	175	1/11/94
				Other	99	1/6/92
MINURSO	Western Sahara	60 b/	60 b/	N/A	N/A	N/A
UNAVEM III	Angola	65 b/, e/	65 b/, e/	Angola	262	1/3/94
UNOMIL	Liberia	120 e/	85 e/	Liberia	125 d/	1/5/94
UNAMIR	Rwanda	108 e/	97 e/	Rwanda	146	1/11/94
	Nairobi	100 c/	100 c/	Nairobi	209	1/1/95
OSGA	Islamabad	95	42	Islamabad	153	1/1/95
	Jalalabad	35 e/	35 e/	Jalalabad	73	1/12/90
	Kabul	46 e/	46 e/	Kabul	202	1/12/90
UNMOT	Tajikistan	115	115	Tajikistan	94	1/12/94
UNOMIG	Georgia	85 e/	85 e/	Georgia	147	1/11/94
UNGCI UNIKOM UNIRCU UNSCOM	Iraq Northern Iraq	125 80	125 80	Iraq	230 d/	1/9/93
UNIKOM	Kuwait and DMZ	115 b/	115 b/	Kuwait	264	1/9/93
UNSCOM	Bahrain	102	102	Bahrain	139	1/1/95
UNPF/ UNCRO	Croatia, UNPAs	120	90	Croatia	170	1/3/95
	Belgrade	120	90	Belgrade	149	1/11/94
UNPROFOR	Bosnia and Herzegovina	120 e/	90 e/	Bosnia and Herzegovina	169 d/	1/7/94
UNPREDEP	The former Yugoslav Republic of Macedonia	82	70	The former Yugoslav Republic of Macedonia	156	1/7/93

a/ Source: United States Department of State, Standardized Regulations (Government civilians, foreign areas), PD supplement 369, 1 February 1995.

b/ Accommodation provided.

c/ Paid as KSh 170,000 a month.

d/ Plus 25 per cent danger pay.

e/ Plus hazard pay.

53. The table illustrates a number of points. First, in virtually every location (20 out of 22), the USPDA rates exceed those of the United Nations, whether the comparison be made on the basis of capital cities or outlying areas. Only in the case of Haiti other than Port-au-Prince and Petronville, and in Tajikistan is the USPDA less than United Nations MSA. In the latter case, preferential rates available in a hotel in Dushanbe provide the explanation, while in the former case, it is noted that the United States rates have not been adjusted since June 1992, well prior to the arrival of UNMIH (United Nations MSA rates were last adjusted as a result of a field mission in November 1994).

54. Second, in approximately half of the 28 locations, rates of USPDA are double those of the United Nations MSA. It would, therefore, seem that the standard of assessment of "moderately priced and suitable" hotels is a more generous yardstick for USPDA than is the "good commercial grade" criterion applied by ICSC for the United Nations common system or the "good commercial and most frequently used" criterion applied by the United Nations for MSA. Similarly, it would also seem that the standard of assessment of "most frequently used" restaurants is a more generous yardstick for USPDA than is the "good commercial grade" criterion applied by ICSC or the "good commercial and most frequently used" criterion of the United Nations. It may be necessary to reassess the rates of MSA used by the United Nations in the broadest terms against those used by the comparator civil service, in the light of the General Assembly's review of all aspects of the application of the Noblemaire principle.

55. Third, the differences in timeliness and updating of data are apparent. United Nations rates are set and adjusted at headquarters on the basis of field review in the majority of cases, a process that ensures that local pressures or considerations are minimized. The USPDA system, by contrast, relies on post reports from authorized officials in the locality being surveyed. Table 2 above showed the effective date (i.e. last update) for all United Nations MSA rates: in only one case is the rate more than two years old and that case (Kuwait) reflects a stabilized situation where a questionnaire has been used for updating purposes. For comparison, table 6 shows the effective date for all USPDA rates. In one case, no adjustment has been made for over four years; in three cases, no updating has been made for over two years. Two thirds of the United Nations MSA rates have been verified in the last 12 months: only half of the USPDA rates have been verified in the same time period. It may be that the United Nations has a greater ease of access in some locations, which provides an advantage over the system used in the comparator civil service.

56. Fourth, the United Nations makes more extensive use of "accommodation provided" or "special" rates. Such rates respond to the view put forward by ACABQ that every effort should be made to achieve economies of scale in this regard. Accommodation-provided rates may also reflect security considerations in some cases where the close grouping of United Nations personnel is deemed necessary, or where there is a dearth of local infrastructure. Such rates are, or were, used in MINURSO, UNAVEM III, UNOSOM and UNIKOM: they were also used during the Sarajevo headquarters phase of UNPROFOR.

57. Fifth, in more than two thirds of locations, the USPDA rates exceed those of ICSC established for DSA purposes, as set out in table 3. Thus, even in a situation where both systems employ questionnaires as the primary means of

updating, rather than field review, the USPDA rates would appear to be more generous. It is useful to note that the ICSC caveat of "good commercial grade" hotels and restaurants precludes luxury establishments: indeed, ICSC sets hotel-specific rates, if necessary, for more expensive hotels in those situations where the availability of a good commercial standard of accommodation is limited. The criterion of "most frequently used" does not have the same moderating effect, because the majority of travellers may gravitate towards the same higher-cost hotels and restaurants. The United Nations is cognizant of the need, in its field operations, to use accommodation and food sources more in keeping with local circumstances, rather than predicating its standards on global hotel chains used by civil servants of a particular Member State.

Danger pay allowance

58. In the comparator federal civil service, the danger pay allowance is designed to provide additional recognition in addition to basic compensation to all civilian employees for "service at places in foreign areas where there exist conditions of civil insurrection, civil war, terrorism or wartime conditions which threaten physical harm or imminent danger to the health or well-being of an employee". 16/ These conditions do not include acts characterized chiefly as economic crime. A danger pay allowance is established by the Secretary of State when, and only when, the above conditions are met for a majority of employees officially stationed or detailed at a post or country/area in a foreign area. In other words, there must exist a continuing threat of physical harm or imminent danger: conditions are reviewed every three to six months. The factors that are taken into account include actual incidents, such as kidnapping, the presence of terrorist organizations, the extent to which the host country is willing and/or able to protect United States citizens and whether evacuation of personnel and/or dependants has taken place.

59. Danger pay is applied for minimum periods of 24 consecutive hours: it requires physical presence in the dangerous location at midnight of each such period. It may be granted separately from any grant of post differential (see para. 65 below) and may be granted at foreign posts or country/areas that have no post differential. The danger pay allowance is payable in amounts of 15, 20 or 25 per cent of basic pay. It is in lieu of that part of the hardship post differential rate at a post which is attributable to political violence. Consequently, the rate of post differential may be reduced while danger pay is in effect to avoid double counting for political violence. The rates of danger pay applicable are based on the determined level of danger and the presence of non-essential personnel and dependants at a post.

60. As of 1 November 1995, the danger pay allowance is paid in the Sudan at the 15 per cent rate, and in Algeria, Bosnia and Herzegovina, Iraq, Lebanon, Liberia, Somalia and the Sindh Province of Pakistan at the 25 per cent rate.

61. Table 7 compares the daily and monthly levels of United Nations hazard pay and United States danger pay:

Table 7

United Nations hazard pay/United States danger pay

(as of 1 September 1995)

(In United States dollars)

Location/country	United Nations hazard pay		United States danger pay	
	day	month	day	month
Afghanistan	30	902	-	-
Algeria	30	902	39	1 162
Angola	30	902 a/	-	-
Bosnia and Herzegovina	30	902	39	1 162
Burundi	30	902	-	-
Georgia	30	902 b/	-	-
Iraq	30	902 c/	39	1 162
Lebanon	-	-	39	1 162
Liberia	30	902	39	1 162
Somalia	30	902	39	1 162
Sudan	30	902 d/	23	697
UNPA - Sector East (Croatia)	30	902	-	-
Zaire	30	902 e/	-	-

(Based on net salary of P-4, step VI ($54,123 per annum) and United States General Schedule GS 13/VI (33 per cent) to GS 14/VI (67 per cent) ($55,795 per annum)

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a/ Outside Luanda only.

b/ Abkhazia and South Ossetia only.

c/ Outside Baghdad and demilitarized zone.

d/ Upper Nile, Bahr El Ghazal and Equatoria only.

e/ Border locations of Goma, Bukavu and Uvira only.

62. The table illustrates a number of points. First, in the majority of locations, the United States danger pay is set at a higher level than hazard pay set by ICSC for service under identical conditions. Second, the United States distinguishes various levels of danger, whereas ICSC recognizes that it is

difficult to distinguish between types of hazard in pay levels. Similarly, the United States system pays a percentage of base salary, thereby paying more to more senior staff and less to junior staff for exposure to the same level of danger, whereas the United Nations system is predicated on a single rate for all grades of staff from P-1 to under-secretary-general on the logic that danger does not discriminate between income levels.

63. Third, the United Nations system of hazard pay is more finely tuned to specific, geographically limited zones of danger, such as the refugee camps in eastern Zaire or the area of operations of humanitarian relief operations in southern Sudan, rather than designating entire countries in all cases.

64. Both schemes have periodic updating schemes and the criteria for eligibility are very similar.

Allowances for government civilians assigned to foreign areas

65. Per diem allowances payable under temporary travel status provide one part of the picture in comparing United Nations mission entitlements with the comparator civil service. It should be noted, however, that, once a decision is taken to assign a United States federal civilian employee to a foreign post, a different set of allowances and benefits applies, under the Department of State Standardized Regulations (Government civilians, foreign areas). The basic legislation standardizing these allowances and benefits is 5 U.S.C. 5921-5928 (the Overseas Differentials and Allowances Act) and the Foreign Service Act of 1980. Sixteen principal allowances and benefits are applicable, as follows:

Advances of pay

Foreign transfer allowance*

Separate maintenance allowance*

Foreign travel per diem allowance*

Temporary lodging allowance

Living quarters allowance*

Post allowance*

Supplementary post allowance

Education allowance and education travel

Post differential*

Danger pay allowance*

Representation allowance

Official residence allowance

Compensatory time-off*

Home service transfer allowance

Evacuation payments

66. Of these 16 elements, those marked with an asterisk are the most relevant to the present study. The foreign travel per diem allowance and the danger pay allowance have been dealt with above (see paras. 48-57 and 58-64, respectively).

Post allowance

67. The United States Secretary of State has the authority to grant to government civilian employees assigned to a foreign post a post allowance as a cost-of-living allowance in locations where the cost of living (excluding the cost of living for quarters and schooling) is significantly higher than in Washington. In broad terms, it is comparable to the post adjustment system of the United Nations common system.

68. The post allowance represents the amount necessary to enable the employee to purchase, with salary plus allowance, goods and services comparable to those the employee could purchase in the Washington, D.C. area with salary alone. Many posts receive no post allowance (a 3 per cent level of cost of living above Washington is required to trigger it). The percentage by which living costs exceed costs in Washington is applied to "spendable income" to determine the post allowance. Spendable income is that part of salary remaining after average United States taxes, savings, life insurance, retirement contribution, gifts and United States shelter costs are removed.

69. The post allowance is a flat payment that varies by salary level and family size. With the concept of spendable income, the allowance of a higher salaried employee is a lower percentage of base salary than that received by a lower paid employee. The allowance is reviewed annually and adjusted every two weeks, as necessary, to reflect changes in foreign currency rates.

70. The amount varies according to a classification of posts based on an index of living costs for a post compared with Washington as 100. In establishing living costs, retail prices of a prescribed set of goods and services are used to indicate the general cost level. Consideration is given to (a) the quantity of goods purchased and the prices paid on the local market or from commissaries; (b) goods shipped to the post at government expense upon assignment; (c) articles imported at employee expense; (d) goods and services provided by the United States Government at low or no cost. Adjustments are made to allow for additional medical care at unhealthful posts, additional clothing for harsh climates and additional essential household help. Cost-of-living reports, based on post submissions, are published quarterly.

71. The post allowance, although clearly not of direct application to an MSA review, raises certain points. It is applicable at the majority of locations where the United Nations has special field missions - in Bosnia and Herzegovina it is 20 per cent; in Haiti and Tajikistan, 15 per cent; in Angola, 10 per cent; and in Liberia and Rwanda, 5 per cent; the range of rates is from 0 per cent in Georgia or Afghanistan to 60 per cent in Iraq. These cost-of-living considerations need to be taken into account in the United Nations MSA, for there is no mechanism that reflects them for United Nations personnel on short- or medium-term assignment. Table 8 below shows the level of post allowance paid to United States government civilian employees in locations where there are United Nations special field missions.

Post differential

72. United States government civilian employees assigned overseas may receive a taxable post differential of up to 25 per cent of basic salary for posting to duty stations where "extraordinarily difficult or notably unhealthful conditions or excessive physical hardships" exist. It may also be paid to employees on temporary detail to a hardship post after the forty-second day of such detail. With effect from 22 January 1995, the post differential classifications were regrouped: there are now six levels for classifying duty stations in hardship terms, each of which is expressed as a percentage of the gross salary at the base of the pay system in Washington:

Category 0 - no financial incentive payable

Category 1 - 5 per cent

Category 2 - 10 per cent

Category 3 - 15 per cent

Category 4 - 20 per cent

Category 5 - 25 per cent

73. The post differential applies only at posts where the degree of hardship is in excess of that which employees are expected to accept as part of the self-sacrifice necessarily involved in overseas service. Many posts have no differential.

74. To determine post classifications, each environmental condition is defined in specific terms. "Extraordinarily difficult living conditions" include consideration of inadequate housing, lack of cultural and recreational facilities, geographic isolation, inadequate transport facilities, and lack of food and consumer services. The factor of "excessive physical hardship" involves consideration of the effects of climate and altitude and the presence of dangerous conditions affecting life, mental health or physical well-being. The factor of "notably unhealthful conditions" involves consideration of the incidence of disease and epidemics, lack of public sanitation and health-control measures and inadequacy of medical and hospital facilities. Each element is assessed in a point score system. Each post is assigned to one of five bands of hardship. No one factor by itself, except possibly a major natural disaster, qualifies a post for a differential. Each post is reviewed at least biennially. Table 8 below shows the level of post differential paid to United States government civilian employees in locations where there are United Nations special field missions.

75. The post differential is important to an assessment of MSA rates for the simple reason that United Nations personnel are not assigned to a special field mission for a period of one year or more and thus do not trigger the hardship component of the ICSC mobility and hardship allowance. Thus, unlike personnel on regular assignment, MSA is in lieu of mobility and hardship allowance. But, being a subsistence allowance, no specific account is taken of the hardship

rating of duty stations in locations where the United Nations has special, non-family missions.

Living quarters allowance

76. The living quarters allowance is intended to reimburse United States government civilian employees for costs for a temporary residence or housing whenever Government-owned or rented housing is not provided (including rent, heat, light, fuel, gas, electricity, water and taxes, insurance and agent's fees required by law or custom to be paid by the lessee). The rates vary by costs at the post, by employee grade level and by family size. Attention is paid to the costs facing recent arrivals in a post, since their costs reflect price trends in the local housing market. Generally, 75 to 80 per cent of employees in private rentals at a post are fully reimbursed for their housing costs. The temporary lodging allowance is a component of the living quarters allowance and is intended to cover the reasonable cost of temporary housing for a period not to exceed three months after first arrival at a new post in a foreign area. Table 8 below shows the level of living quarters allowance paid to United States government civilian employees in locations where there are United Nations special field missions.

77. The living quarters allowance is important to the discussion of United Nations MSA because it represents a situation equivalent to that of a United Nations staff member once he/she moves beyond the first-30-day period, which is usually spent in a hotel, to a lower rate reflecting the economies available in the local housing rental market.

Foreign transfer allowance

78. The Secretary of State is authorized to grant to a United States government civilian employee a transfer allowance "for extraordinary, necessary and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishment at any post of assignment in a foreign area including costs incurred in the United States prior to departure for a post in a foreign area". 17/

79. The foreign transfer allowance of the United States civil service comprises three elements:

(a) A lump sum to assist with certain additional costs, which may be reimbursed because of changing residences (such as connecting, disconnecting or converting appliances; converting household equipment or utilities; cutting and fitting rugs or curtains; utility fees or contract deposits; car registration or driver's licenses; personal cable and telephone costs attributable to relocation). These costs are exclusive of those intended to be reimbursed by travel per diem. This miscellaneous expenses portion is granted on all transfers involving a foreign location. For a single employee, a flat amount of $350 or one week's salary (whichever is less) is payable without receipts. An employee with a family may receive a flat amount of $700 or two week's salary, without receipts. Higher claims have to be accompanied by receipts;

(b) A lump-sum wardrobe expense to assist with the cost of changing types of clothing between climatic zones, for which duty stations are grouped into three zones according to climate and employees are grouped by family size;

(c) A predeparture subsistence expense applicable to lodging, meals (including tips), laundry, cleaning and pressing expenses in temporary housing for the employee and each member of his/her family for up to 10 days before departure from the United States to a post in a foreign area.

80. The foreign transfer allowance is relevant to a review of MSA because it recognizes directly the additional expenses associated with relocation. While many of these expenses may be relatively small in themselves, cumulatively they can add up to considerable out-of-pocket expense. Movement of personnel to a special field mission often involves the purchase of appropriate footwear, clothing and other items not normally associated with service at headquarters or other established duty stations.

Separate maintenance allowance

81. In the United States civil service, a separate maintenance allowance may be authorized to assist an employee "who is compelled or authorized because of dangerous, notably unhealthful, or excessively adverse living conditions at the post of assignment, or for the convenience of the Government, or who requests such allowance because of special needs or hardship involving the employee or the employee's spouse or dependants to meet the additional expense of maintaining, elsewhere than at the post, the employee's spouse or dependants, or both". The allowance is paid only for family members who would normally reside with the employee at the post of assignment abroad. It is intended to reimburse some of the added costs of maintaining a separate living establishment. An employee is not eligible for allowances and benefits at the post of assignment on behalf of family members for whom this allowance is paid. The major expense considered is housing, plus other costs due to the diseconomies of living apart. The rates vary by the number of dependants of the employee.

82. The separate maintenance allowance is relevant to a review of MSA because it supports the logic of maintaining the entitlements of a parent duty station while United Nations staff are receiving MSA by virtue of serving in special, non-family missions.

Compensatory time-off

83. For government civilians in foreign areas, the head of an agency may grant compensatory time-off for regularly scheduled overtime work (a) at an isolated post performing functions required to be maintained on a substantially continuous basis or (b) at a post in a locality that customarily observes irregular hours of work or where other special conditions obtain. In the latter case, compensatory time-off must be used in the same pay period as it is earned. Compensatory time-off cannot be carried over to a new post: if not used, it is forfeited.

84. Compensatory time-off is also applied in the case of United Nations special field missions, under virtually identical rules.

85. The standard regulations for government civilians assigned to foreign areas are administered by the United States Department of State. The standard regulations are issued several times a year, the latest being TL:SR 514 of November 1994. The post classification and payment tables are shown in section 920 of the regulations: the explanation of the tables is in section 910.

86. Table 8 indicates the post differential, danger pay, living quarters allowance and housing elements payable on a monthly basis to United States government civilians in foreign areas in locations in which United Nations peace-keeping operations are emplaced as of February 1995.

87. It is useful to examine the benefits payable under the United States civil service regime in comparison with those of the United Nations. The mid-point of the Professional scale in the United Nations is P-4, step VI (net base salary of $54,123): the United States equivalent in the General Schedule is $55,795. The United Nations staff member assigned to a peace-keeping operation continues to be paid base salary plus the post adjustment of his/her current duty station. He/she receives MSA and, if applicable, hazard pay as the total remuneration for service in a peace-keeping operation or similar mission. In the case of the United States government employee assigned or posted to a foreign area, the base pay is augmented by living quarters allowance, post allowance, post differential, danger pay, and other allowances, as applicable.

Table 8

United States federal civil service: post differential, danger pay, post allowance and housing allowance for locations in which United Nations special field missions are emplaced

February 1995

(monthly data)

	Post differential		Danger pay		Post allowance		Housing	
	%	Monthly amount (US$)	%	Monthly amount (US$)	%	Monthly amount (US$)	Monthly amount (US$) a/	Σ monthly b/ (rounded)
Afghanistan	25	1 162	-	-	0	-	667	6 480
Angola	25	1 162	-	-	10	465	667	8 045
Bosnia and Herzegovina	25	1 162	25	1 162	20	930	667	8 570
Croatia	10	465	-	-	20	930	667	6 710
Georgia	25	1 162	-	-	0	-	667	6 480
Guatemala	10	465	-	-	0	-	1 508	6 625
Haiti	25	1 162	-	-	15	697	858	7 365
Iraq	20	930	25	1 162	60	2 790	667	10 200
Kuwait	20	930	-	-	20	930	1 200	7 710
Liberia	25	1 162	25	1 162	5	232	667	7 875
Rwanda	25	1 162	-	-	5	232	667	6 710
Tajikistan	25	1 162	-	-	15	697	667	7 175
The former Yugoslav Republic of Macedonia	15	697	-	-	20	930	667	6 945

Notes: All figures based on base salary for a United States government official in the General Schedule at an equivalent of United Nations P-4, step VI (the mid-point of the salary scale). Base salary is $55,795 a year ($4,650 a month).

a/ LQA WF 3, i.e. staff member with spouse and one child.

b/ Includes base salary.

No data for Western Sahara (MINURSO mission area).

/...

IX. CONCLUSION

88. The entitlements of staff assigned to peace-keeping missions are dictated by the temporary and short-term mandate periods of the missions. MSA, as a central element in those entitlements, responds to the operational demands of missions and provides a cost-effective and administratively simple mechanism to meet the costs of subsistence in the field. MSA rates are lower than those established by ICSC for short-term travel purposes in the DSA entitlements: they are also lower than the equivalent entitlements in the comparator civil service, whether on a short- or longer-term basis. MSA, as presently established and applied, is commensurate with the exposure of staff to expenses arising from mission service.

Notes

1/ A/49/664, sect. VI.

2/ See, for example, A/46/893, para. 11 (UNPROFOR); A/46/945, para. 14 (UNAVEM II); A/45/1021, para. 10, A/46/904, para. 10 and A/47/900, para. 15 (ONUSAL); A/47/763, paras. 21 and 22 (UNTAC); A/48/906, para. 17 (MINURSO); A/48/889, para. 12 (ONUMOZ); A/48/501, paras. 24 and 27 and A/49/501/Add.1, para. 27 (UNOMUR/UNAMIR); A/49/869, para. 32 (UNMIH); A/48/897, para. 11 (UNIKOM); A/48/918, para. 10 (UNOMIG); and A/48/878, para. 52 (UNPROFOR).

3/ A/47/990, paras. 20 and 21.

4/ A/48/945, sect. IV.N., paras. 63-66.

5/ A/49/664, annex VI.

6/ Ibid., paras. 80-85.

7/ Until the 1970s, the responsibility for DSA rates rested with the organizations themselves.

8/ See Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 30 (A/34/30), paras. 169-181 and ibid., Thirty-fifth Session, Supplement No. 30 (A/35/30), paras. 215-228.

9/ See ibid., Thirty-sixth Session, Supplement No. 30 (A/36/30), para. 161.

10/ Resolution 44/198 of 21 December 1989.

11/ See Official Records of the General Assembly, Forty-fourth Session, Supplement No. 30 (A/44/30), vol. II, chap. VII.

12/ See ibid., Forty-seventh Session, Supplement No. 30 (A/47/30), chap. VII and annex IX.

13/ See ibid., Thirty-ninth Session, Supplement No. 30 (A/39/30), para. 203.

14/ Maximum travel per diem allowances for foreign areas, sect. 925, supplement to the Standardized Regulations (Government civilians, foreign areas), P.D. Supplement 369, 1 February 1995.

15/ Ibid.

16/ United States Department of State, Standardized Regulations (Government civilians, foreign areas), chap. 650, sect. 652 (a).

17/ Standardized Regulations, 241.1 (a).

ANNEX

United Nations mobility and hardship allowance

1. The mobility and hardship allowance is designed to encourage mobility between duty stations as required operationally by the organizations, and to compensate for service at difficult locations. The allowance, which is non-pensionable, is expressed in terms of the base/floor salary. The reference point for computing the applicable percentages of the base/floor salary scale is the mid-point (P-4, step VI) at the dependency rate. This median rate is used for the P-4 and P-5 levels and a 13 per cent differential is added or subtracted at higher and lower levels. The dependency rate is paid to staff with dependants, whether or not they accompany the staff member to the duty station. The allowance for staff without dependants is 75 per cent of the dependency rate.

2. All duty stations are placed in one of six categories:

H (Headquarters and similar designated locations where the United Nations system has no developmental or humanitarian assistance programmes)

A}
B}
C} Other duty stations (in increasing order of difficulty)
D}
E}

3. The review and designation of qualifying duty stations is made by ICSC in consultation with the administrations and staff representatives of the common system organizations. Data on health, climate, isolation, security, housing, other local conditions and education are collected periodically by means of a questionnaire, which is completed at the duty station and certified by the designated official. The information in the questionnaire is supplemented by reports from officials familiar with conditions in the locality under review and by published material. Changes in the classification of duty stations are approved and promulgated by the Chairman of ICSC.

4. In classifying duty stations, the percentage of the base/floor salary payable in respect of hardship compensation is: H and A - zero; B - 8 per cent; C - 15 per cent; D - 20 per cent; E - 25 per cent. The mobility incentive is payable after five consecutive years of service in the United Nations system. At duty stations in categories A to E, it is paid as of the second assignment (10 per cent) and is increased by 2 per cent for each move up to the fifth assignment (giving a maximum of 16 per cent). At locations in the H category, the mobility incentive is not payable for the first three assignments, begins at a lower level and is contingent upon two or more previous assignments at A to E locations. After five consecutive years at the same duty station, the mobility element of the allowance is normally reduced by 10 percentage points.

5. The mobility and hardship entitlements are combined in a matrix as set out below which also provides some examples of calculation of the allowance.

MOBILITY AND HARDSHIP MATRIX
(Percentage of mid-point of base/floor salary)

Duty station category	Number of assignments				
	1 a/	2	3	4	5
H	0 b/	0 b/	0 b/	4 b/ c/	6 b/ c/
A	5	15	17	19	21
B	13	23	25	27	29
C	20 d/	30 d/	32 d/	34 d/	36 d/
D	25	35	37	39	41
E	30	40	42	44	46

a/ First assignment or less than five years' service.

b/ Plus 3 per cent for non-removal cases.

c/ Provided that the staff member has previously served on two or more assignments in A to E duty stations. Otherwise, no mobility element is payable.

d/ Minus 5 per cent for cases of full household removal.

6. As of 1 September 1995, duty stations are classified according to the level of hardship as follows (capital cities only):

Hardship classification of capital city duty stations

A	B	C	D	E
Ankara	Abidjan	Accra	Almaty	Baku
Amman	Abu Dhabi	Addis Ababa	Ashkhabad	Bishkek
Asuncion	Apia	Algiers	Baghdad*	Bissau
Bangkok	Beijing	Antananarivo	Bangui	Dushanbe*
Brasilia	Bucharest	Asmara*	Bujumbura	Kabul*
Bridgetown	Colombo	Bamako	Conakry	Khartoum
Budapest	Cotonou	Banjul	Freetown	Kigali*
Buenos Aires	Doha	Beirut	Gaza Town	Malabo
Cairo	East Jerusalem	Belgrade*	Grande Comore	Mogadiscio*
Caracas	Guatemala City*	Belize City	Hanoi	Monrovia*
Curacao	Havana	Bogota	Kampala	Sarajevo*
Dakar	Honiara	Brazzaville	Kinshasa	Tblisi*
Damascus	Islamabad	Chisinau	Lagos	Yerevan
Gaborone	Kiev	Dar-es-Salaam	Luanda*	
Hamilton	Kingston	Dhaka	Lusaka	
Harare	Kuwait City	Djibouti	Maputo*	
Hong Kong	La Paz	Georgetown	N'Djamena	
Jakarta	Lilongwe	Kathmandu	Nouakchott	
Jerusalem	Manama	Lima	Phnom Penh*	
Johannesburg	Manila	Lome	Port-au-Prince*	
Kuala Lumpur	Moscow	Majuro	Pyongyang	
Libreville	Muscat	Male	Sana'a	
Ljubljana	Nairobi	Managua*	Sao Tome	
Macau	Nuku Alola	Maseru	Tashkent	
Mahe/Port Victoria	Quito	Minsk	Thimpu	
Mbabane	Rarotonga	Niamey	Ulaanbaatar	
Mexico City	Riyadh	Ouagadougou	Yangon	
Montevideo	Suva	Paramaribo		
New Delhi	Tegucigalpa*	Port Moresby		
Nicosia	Tripoli	Praia		
Panama City	Port Vila	San Salvador*		
Port Louis	Yaounde	Skopje*		
Port-of-Spain		Tarawa		
Prague		Teheran*		
Rabat		Tirana		
Riga		Vientiane		
Roseau				
San Jose				
Santiago				
Santo Domingo				
Seoul				
Sofia				
Tallinn				
Tortola				
Tunis				
Warsaw				
Windhoek*				
Zagreb*				

* Locations where United Nations special field missions are present or have recently ended.

7. It may be noted that the majority of peace-keeping or special field missions are characterized by D- or E-level duty stations in terms of hardship. Conversely, the majority of the most difficult duty stations (level E) are to be found in special mission areas.